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January 2, 2007

USDS SDNY DOCUMENT

ELECTRONICALLY FILED

DATE FILED:

VIA FEDERAL EXPRESS

Hon. Harold Baer, Jr. U.S. District Court, S.D.N.Y. 500 Pearl Street New York, NY 10007

Re: K.P. Sanghvi & Sons, Inc v. M. Fabrikant & Sons, Inc., 06-cv-5751 (HB)

Dear Judge Baer:

This firm is counsel to M. Fabrikant & Sons, Inc. ("MFS") in the above-captioned action.

In response to Your Honor's letter, dated December 27, 2006, a copy of which is attached hereto, please be advised that on November 17, 2006, MFS filed a voluntary bankruptcy petition under chapter 11 of the U.S. Bankruptcy Code (the "Bankruptcy Code") in the U.S. Bankruptcy Court for the Southern District of New York (Case No. 06-12737 (SMB)). Accordingly, the above-captioned action is currently stayed pursuant to the automatic stay provisions of section 362 of the Bankruptcy Code. Counsel for the plaintiff the above-captioned action was previously notified of MFS's chapter office Hated November 28, 2006.

RICHMOND . TYSONS CORNER .

ATLANTA . HONG KONG . LONDON

NA BEAC

Miss SOMPERED:

Jr.